The Dun & Bradstreet Corporation

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The Dun & Bradstreet Business Expectations Survey

Prepared by the Economic Analysis Department

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Business Expectations
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For Immediate Release

News

BUSINESS EXPECTATIONS EBB IN FIRST QUARTER

Optimism Among Retailers Drops Significantly With Forecasts of Weaker Sales and Lower Profits

NEW YORK, Jan 11--Overall expectations for first-quarter gains in sales and profits are down, compared with expectations for both the previous period--the fourth quarter of 1988--and with year-ago results for the first quarter of 1988, according to results of the latest nationwide survey of 1,500 business executives by The Dun & Bradstreet Corporation.

The results of the survey were marked by significant declines in optimism for increased sales and profits among retailers.

Despite the weaker expectations, Joseph W. Duncan, corporate economist and chief statistician of The Dun & Bradstreet Corporation, said the current outlook is better than it appears.

"Expectations for first-quarter sales are down only slightly and we are coming off a four-year high in terms

-MORE-

of expectations for higher profits," said Duncan. "Moreover, our fourth-quarter survey conducted in August last year indicated that retailers were looking ahead to a strong holiday sales period, so the current results suggest they expect consumers to take a breather after the Christmas selling season."

Duncan added that among manufacturers, sales expectations remain at historically high levels as firms continue to benefit from opportunities in export markets. However, Duncan noted that fewer manufacturers expect to raise prices in the first quarter, which suggests competition may be increasing.

"Expectations for higher profits among durable goods manufacturers also are down, indicating that firms may be planning to make sacrifices in their margins in the face of stiffer competition," said Duncan.

In its latest Survey of Business Expectations, conducted in November, Dun & Bradstret asked 1,500 executives in manufacturing, retailing and wholesaling if they expect an increase, decrease or no change in first-quarter sales, profits, prices, inventories, employment and new orders. Dun & Bradstreet nas been conducting the quarterly Survey of Business Expectations since 1947.

Note to Editors

The D&B Index figures used in the following pages represent the net percentage of survey respondents expecting

higher sales, profits, etc. The indices are calculated by subtracting the percentage of respondents predicting decreases from the percentage of those expecting increases.

Sales

The Sales Optimism Index for the first quarter of 1989 fell to 68 from 70 in the fourth quarter of 1988. While expectations for increased sales among wholesalers and manufacturers remained essentially unchanged, the Sales Optimism Index among retailers dropped to 57 from 72 in the fourth quarter, and from 65 in the first quarter of 1988. For the first quarter, 29 percent of the retailers surveyed expect no change in their level of sales, compared with the fourth quarter of 1988.

Profits

The Profits Optimism Index for the first quarter of 1989 declined to 60 from 67. Expectations for higher profits among retailers plummeted to 53 from a four-year high of 69 in the fourth quarter. Among manufacturers of durable goods, the Profits Optimism Index fell nine points to 61. Expectations for higher profits among manufacturers of non-durables rose five points to 64, while wholesalers' expectations fell two points to 61.

Prices

Expectations for higher prices in the first quarter of

1989 fell one point to 41, down from a four-year high of 44, reached in the third quarter of 1988. Wholesalers indicated that they plan to raise prices in the first quarter, with the index increasing to 45 from 37. Expectations for increased prices among retailers fell to 40 from 45, and among manufacturers of durable goods, the index dropped to 37 from 43. Expectations among manufacturers of non-durable goods remained unchanged at 43.

"The current pattern in price expectations suggests only a modest pick up in inflation, if any at all," said Duncan.

Inventories

Expectations for increased inventories were unchanged, with the index holding at 26. Among non-durable goods manufacturers, however, expectations for increased inventories rose to 32 from 18. Durable goods manufacturers' expectations rose three points to 26, while expectations among wholesalers fell to 25 from 28. Retailers forecast a decrease in inventories, with the index falling seven points to 23.

"It is only logical that retailers would plan to reduce their inventories, in view of their expectations for weaker first-quarter profits and sales," said Duncan. "By maintaining smaller inventories, they avoid tying up assets in inventory accumulations."

Employees

The Employment Expectations Index rose to 24 from 22, largely because of a modest gain in the index among manufacturers. Among wholesalers and retailers, expectations remained essentially unchanged.

New Orders

The New Orders Index for manufacturers of durable goods fell two points to 65, while the index for non-durable goods manufacturers increased to 65 from 64.

The Dun & Bradstreet Corporation is the world's largest marketer of business information and related services, with worldwide revenue of $3.4 billion in 1987.

(See Attached Tabular Data)

January 11, 1989

(0020)

SURVEY OF BUSINESS EXPECTATIONS

Conducted by The Dun & Bradstreet Corporation

WHAT BUSINESS EXECUTIVES EXPECT FOR THE
FIRST QUARTER OF 1989 COMPARED WITH THE FIRST QUARTER OF 1988

(Interview Period: November 7 to 23, 1988)

		All Firms	All Manufacturers	Durables	Non-Durables	Wholesalers	Retailers
Net Sales	Number Reporting:	1,507	772	564	208	445	290
	% Expecting -- Increase	72%	73%	73%	73%	73%	64%
	% Expecting -- No Change	24%	24%	23%	25%	21%	29%
	% Expecting -- Decrease	4%	3%	4%	2%	6%	7%
Net Profits	Number Reporting:	1,423	717	520	197	431	275
	% Expecting -- Increase	65%	67%	67%	67%	66%	59%
	% Expecting -- No Change	30%	28%	27%	30%	29%	35%
	% Expecting -- Decrease	5%	5%	6%	3%	5%	6%
Selling Prices	Number Reporting:	1,437	727	527	200	433	277
	% Expecting -- Increase	45%	43%	41%	48%	49%	43%
	% Expecting -- No Change	51%	53%	55%	47%	47%	54%
	% Expecting -- Decrease	4%	4%	4%	5%	4%	3%
Inventories*	Number Reporting:	1,467	747	547	200	441	279
	% Expecting -- Increase	38%	39%	37%	45%	37%	38%
	% Expecting -- No Change	50%	50%	52%	42%	51%	47%
	% Expecting -- Decrease	12%	11%	11%	13%	12%	15%
Employees*	Number Reporting:	1,513	771	562	209	454	288
	% Expecting -- Increase	28%	31%	33%	28%	27%	19%
	% Expecting -- No Change	68%	64%	63%	66%	69%	75%
	% Expecting -- Decrease	4%	5%	4%	6%	4%	6%
New Orders	Number Reporting:		704	520	184		
	% Expecting -- Increase		69%	69%	69%		
	% Expecting -- No Change		27%	27%	27%		
	% Expecting -- Decrease		4%	4%	4%		

* End of Quarter

Source: The Dun & Bradstreet Corporation
Economic Analysis Department

THE DUN & BRADSTREET CORPORATION
SURVEY OF BUSINESS EXPECTATIONS
Optimism Index by Industry

		All Firms	All Mfctrs	Durables	Non-Durables	Wholesalers	Retailers
			Manufacturers				
1Q89	Sales	68	70	69	71	67	57
4Q88		70	71	71	69	69	72
3Q88		73	73	74	69	78	65
2Q88		69	68	68	81	71	59
1Q88		70	72	70	76	69	65
1Q89	Profits	60	62	61	64	61	53
4Q88		67	68	70	59	63	69
3Q88		65	70	70	73	64	59
2Q88		64	67	67	70	63	62
1Q88		63	65	65	65	62	61
1Q89	Prices	41	39	37	43	45	40
4Q88		42	43	43	43	37	45
3Q88		44	48	47	50	42	39
2Q88		41	38	40	34	45	42
1Q88		41	40	40	41	43	36
1Q89	Inventories	26	28	26	32	25	23
4Q88		26	22	23	18	28	30
3Q88		23	25	25	18	23	21
2Q88		28	30	29	31	25	26
1Q88		23	24	22	28	23	19
1Q89	Employees	24	26	29	22	23	13
4Q88		22	26	27	20	23	14
3Q88		23	29	30	29	24	13
2Q88		28	29	31	24	22	11
1Q88		26	28	30	24	26	19

Source: Economic Analysis Department
The Dun & Bradstreet Corporation

THE DUN & BRADSTREET CORPORATION - Economic Analysis Department

BUSINESS EXPECTATIONS - ALL CONCERNS

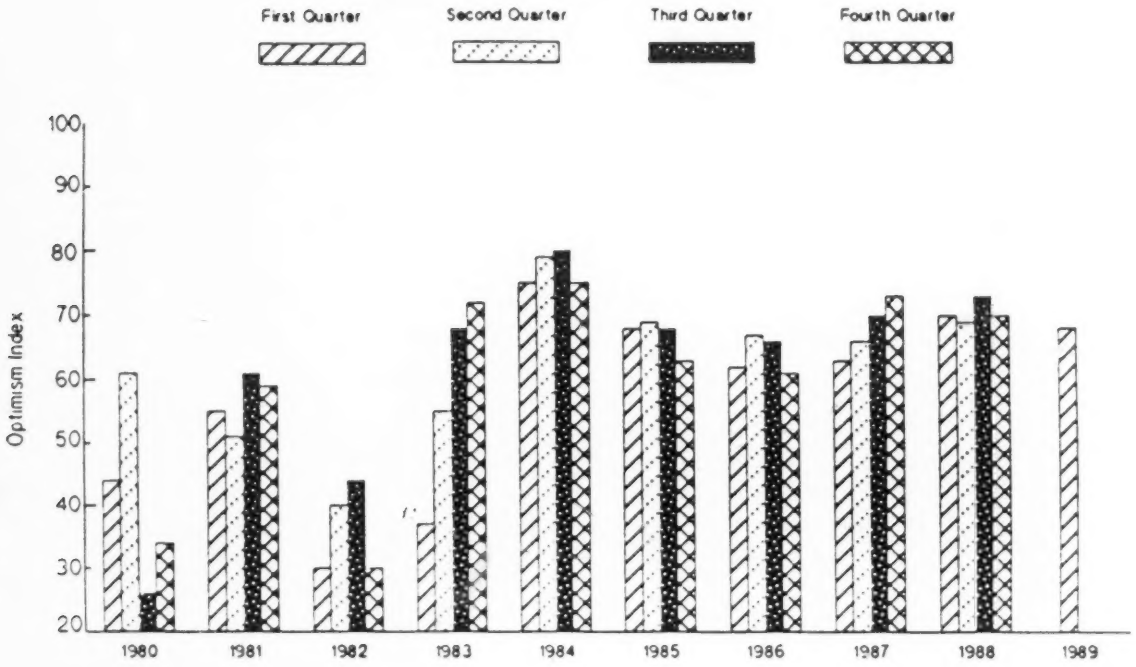
Optimism Index - 1980Q1 to 1989Q1

	SALES	PROFITS	PRICES	INVENTORIES	EMPLOYEES
89Q1	68	60	41	26	24
88Q4	70	67	42	26	22
88Q3	73	65	44	23	25
88Q2	69	64	41	28	23
88Q1	70	63	41	23	26
87Q4	73	64	36	25	23
87Q3	70	66	34	22	24
87Q2	66	62	32	21	18
87Q1	63	56	24	19	19
86Q4	61	57	22	14	17
86Q3	66	62	26	20	18
86Q2	67	62	29	17	21
86Q1	62	55	26	16	18
85Q4	63	54	25	17	17
85Q3	68	62	32	23	18
85Q2	69	62	37	31	24
85Q1	68	61	36	27	19
84Q4	75	68	41	32	25
84Q3	80	75	50	40	27
84Q2	79	73	50	41	27
84Q1	75	67	43	33	24
83Q4	72	62	40	28	20
83Q3	68	59	39	24	18
83Q2	55	46	32	16	12
83Q1	37	29	33	5	1
82Q4	30	20	37	0	-4
82Q3	44	32	28	11	2
82Q2	40	31	55	13	2
82Q1	30	22	61	8	1
81Q4	59	44	70	27	10
81Q3	61	47	79	31	12
81Q2	51	38	78	22	8
81Q1	55	40	78	26	13
80Q4	34	22	74	11	1
80Q3	26	18	69	6	4
80Q2	61	46	82	39	13
80Q1	44	32	77	23	9

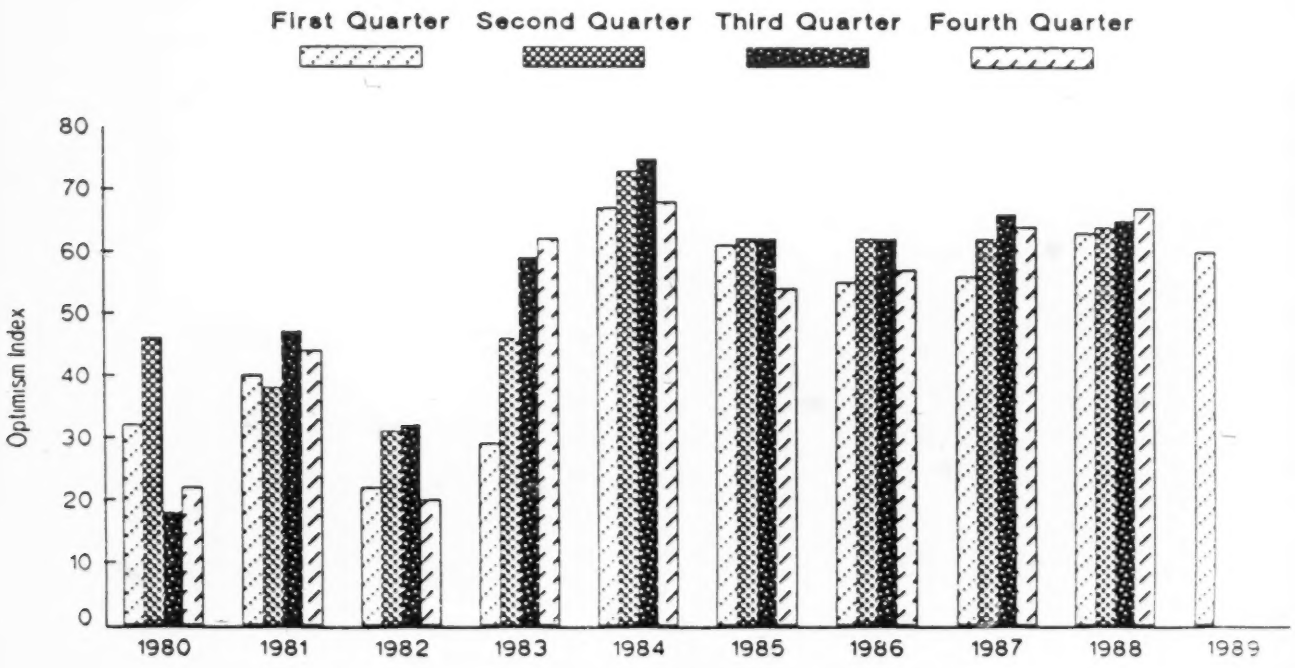
Source: The Dun & Bradstreet Corporation
Economic Analysis Department

Dun & Bradstreet Expectations Survey

Business Expectations – Sales



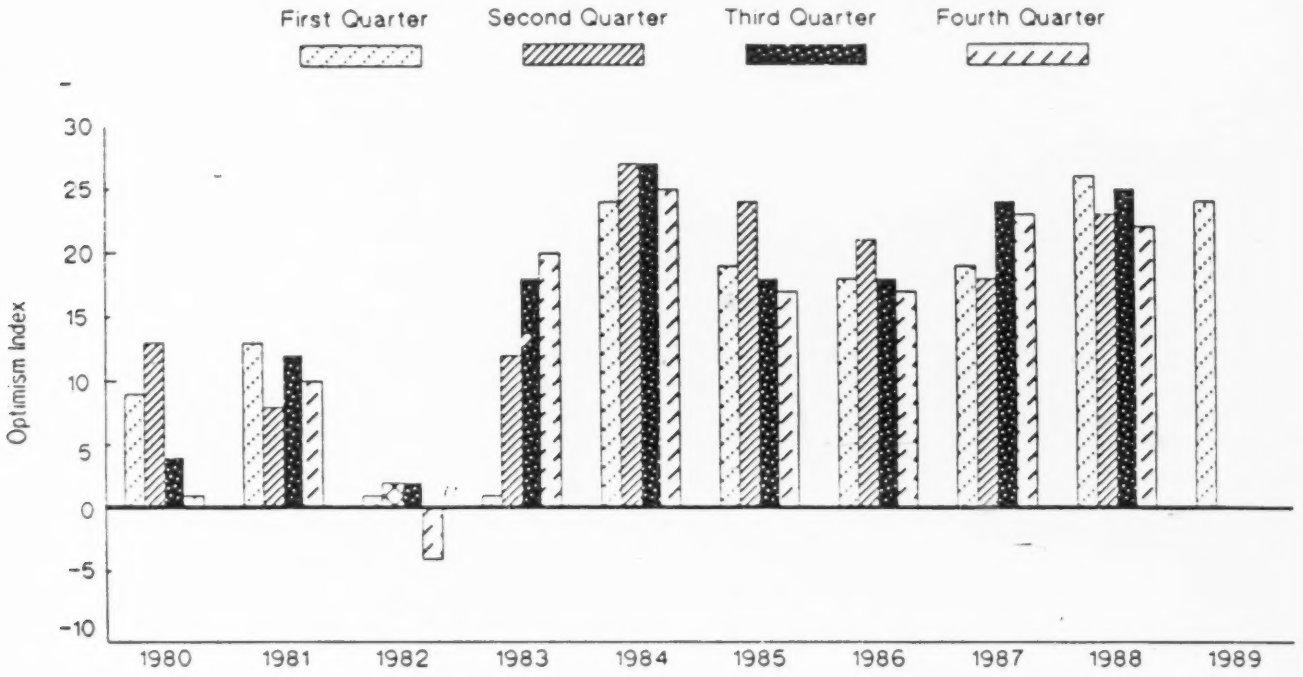
Business Expectations – Profits



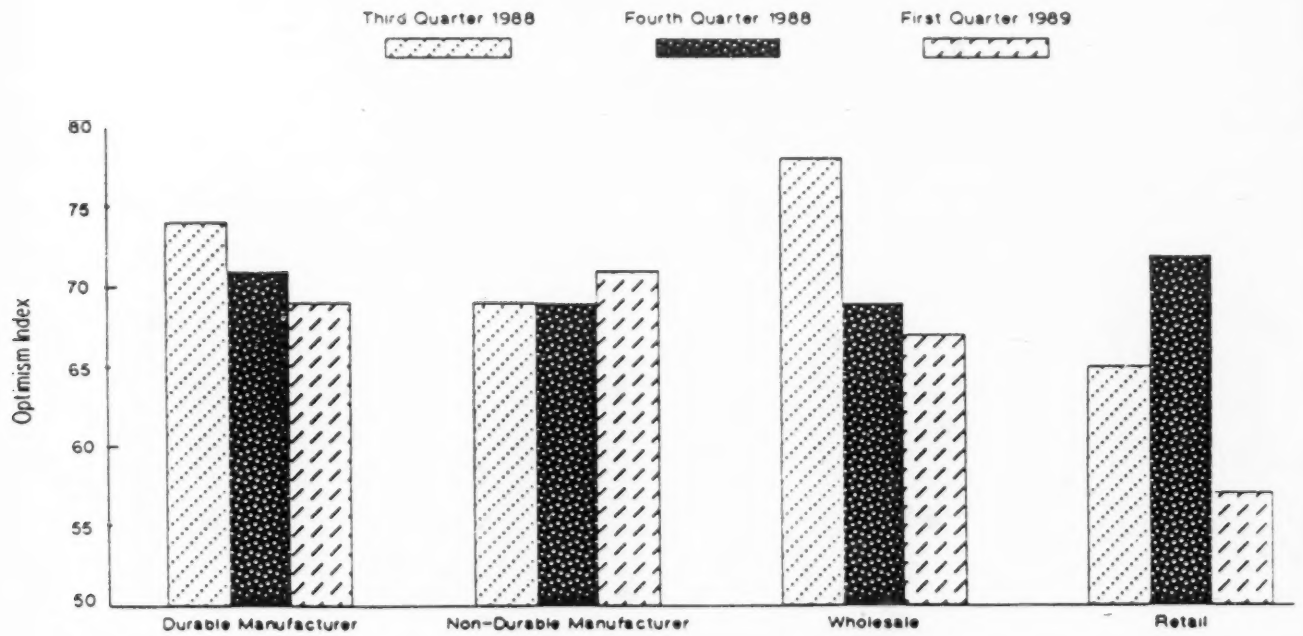
Source: The Dun & Bradstreet Corporation
Economic Analysis Department

Dun & Bradstreet Expectations Survey

Business Expectations – Employment



SALES OPTIMISM INDEX



Source: The Dun & Bradstreet Corporation
Economic Analysis Department

The Dun & Bradstreet Corporation

The Dun & Bradstreet Business Expectations Survey

Prepared by the Economic Analysis Department

News

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Business Expectations
Vol. 30, No. 2
Second Quarter 1989
For Immediate Release

BUSINESS EXECUTIVES FORECAST STRONG SECOND QUARTER

Expectations For Increased Sales and Higher Prices Push Outlook For Profits To Highest Level Since 1984

NEW YORK, Mar. 29--Business executives are forecasting a surprisingly strong second quarter, according to The Dun & Bradstreet Corporation's latest national survey of 1,500 business executives. Plans to increase prices, coupled with expected gains in sales, have driven profit expectations to the highest level since 1984.

"Business executives' plans to increase prices are clearly having at least a short-term impact on profit expectations," said Joseph W. Duncan, corporate economist and chief statistician for The Dun & Bradstreet Corporation. "Order books are strong, but the ability to maintain high profit expectations throughout 1989 is questionable."

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Duncan noted that nearly half of all respondents plan to increase prices.

In its latest Survey of Business Expectations, conducted between February 8 and February 27, Dun & Bradstreet asked 1,500 executives in manufacturing, retailing and wholesaling if they expected an increase, decrease or no change in second-quarter sales, profits, prices, inventories, employment and new orders. Dun & Bradstreet has been conducting its quarterly Survey of Business Expectations since 1947.

Note to Editors

The D&B Index figures used in the following pages represent the net percentage of survey respondents expecting higher sales, profits, etc. The indices are calculated by subtracting the percentage of respondents predicting decreases from the percentage of those expecting increases.

Sales

Among all survey respondents, the second-quarter Sales Optimism Index rose six points, to 74 from 68 in the first quarter, and five points from the second-quarter of 1988. Sales expectations among retailers were up nine points to 66, compared with expectations for the first quarter. But retailers' sales expectations were still lower than the index of 72 for the fourth quarter of 1988. The index for wholesalers also rose sharply from 67 in the first quarter

of 1989 to 74 for the second quarter. Among all manufacturers sales expectations were high, up seven index points to 77, largely driven by a nine point gain among durable goods manufacturers.

Profits

Expectations for higher second-quarter profits climbed to the highest level since 1984, rising nine points to an index of 69. "With inflationary pressures pushing prices up, and sales expectations high, firms are looking forward to higher profits," said Duncan.

Retailers were extremely positive with the index up 16 points to 69, the same level as the fourth-quarter of 1988, but seven points higher than the same quarter last year. Wholesalers also expect higher profits, with the index climbing to 69 from 61 in the first quarter of 1989.

Among all manufacturers the index was up to 68 from 62, with the durable manufacturers' Profits Optimism Index increasing nine points and non-durable manufacturers up four points, from the first quarter of 1989.

Prices

The index of firms expecting to increase prices rose to 46 from 41, in both the first quarter of 1989 and the second quarter of 1988.

"Inflationary pressures are now pushing prices up, after remaining fairly consistent for the past five quarters," noted Duncan.

Expectations for higher prices among manufacturers were up nine points, to 48 from 39 in the first quarter of 1989. Durable goods manufacturers' expectations rose nine points to 46 and the index for manufacturers of non-durables increased 10 points to 53.

Expectations for increased second-quarter prices among retailers rose to 45 from 40 and wholesalers remained constant, with an index of 45.

Inventories

Among all firms, expectations for increased inventories in the second quarter remain at very high levels, with the index rising to 29 from 26. Both durable and non-durable manufacturers expect to build inventory levels, up five and eight index points, respectively. Among retailers, the index for increased inventories rose eight points to 31, while wholesalers reported a two point decrease to 23.

"The increase in inventory levels in the second quarter could prove troublesome later in the year. It may be difficult to move goods, if prices continue to climb," said Duncan.

Employees

The Employment Optimism Index decreased to 23 from 24,

mostly due to a two point decrease in the wholesale sector. Among retailers and manufacturers, expectations rose five and three index points, respectively.

New Orders

The Optimism Index for new orders among manufacturers of non-durable goods increased six points to 71, while the index for durable goods manufacturers was up five points to 70.

Duncan noted that manufacturers order books are full, and with higher prices and strong sales, the manufacturing sector is looking forward to a strong second quarter.

The Dun & Bradstreet Corporation is the world's largest marketer of business information and related services, with worldwide revenue of $4.3 billion in 1988.

(See Attached Tabular Data)

SURVEY OF BUSINESS EXPECTATIONS
Conducted by The Dun & Bradstreet Corporation

WHAT BUSINESS EXECUTIVES EXPECT FOR THE
SECOND QUARTER OF 1989 COMPARED WITH THE SECOND QUARTER OF 1988

(Interview Period: February 8 to 27, 1989)

		All Firms	All Manufacturers	Durables	Non-Durables	Wholesalers	Retailers
Net Sales	Number Reporting:	1,527	714	492	222	495	318
	% Expecting -- Increase	78%	81%	82%	81%	78%	72%
	% Expecting -- No Change	18%	15%	14%	16%	18%	22%
	% Expecting -- Decrease	4%	4%	4%	3%	4%	6%
Net Profits	Number Reporting:	1,436	673	465	208	462	301
	% Expecting -- Increase	73%	72%	73%	72%	73%	73%
	% Expecting -- No Change	23%	24%	24%	24%	23%	23%
	% Expecting -- Decrease	4%	4%	3%	4%	4%	4%
Selling Prices	Number Reporting:	1,448	679	469	210	468	301
	% Expecting -- Increase	48%	50%	48%	55%	47%	47%
	% Expecting -- No Change	50%	48%	50%	43%	51%	51%
	% Expecting -- Decrease	2%	2%	2%	2%	2%	2%
Inventories*	Number Reporting:	1,493	698	483	215	477	318
	% Expecting -- Increase	40%	43%	42%	47%	34%	43%
	% Expecting -- No Change	49%	47%	47%	46%	55%	45%
	% Expecting -- Decrease	11%	10%	11%	7%	11%	12%
Employees*	Number Reporting:	1,514	708	487	221	492	314
	% Expecting -- Increase	28%	34%	34%	32%	25%	23%
	% Expecting -- No Change	67%	61%	62%	62%	71%	72%
	% Expecting -- Decrease	5%	5%	4%	6%	4%	5%
New Orders	Number Reporting:	.	661	460	201		
	% Expecting -- Increase		74%	74%	74%		
	% Expecting -- No Change		23%	23%	22%		
	% Expecting -- Decrease		3%	3%	4%		

* End of Quarter

Source: The Dun & Bradstreet Corporation
Economic Analysis Department

THE DUN & BRADSTREET CORPORATION - Economic Analysis Department

BUSINESS EXPECTATIONS - ALL CONCERNS

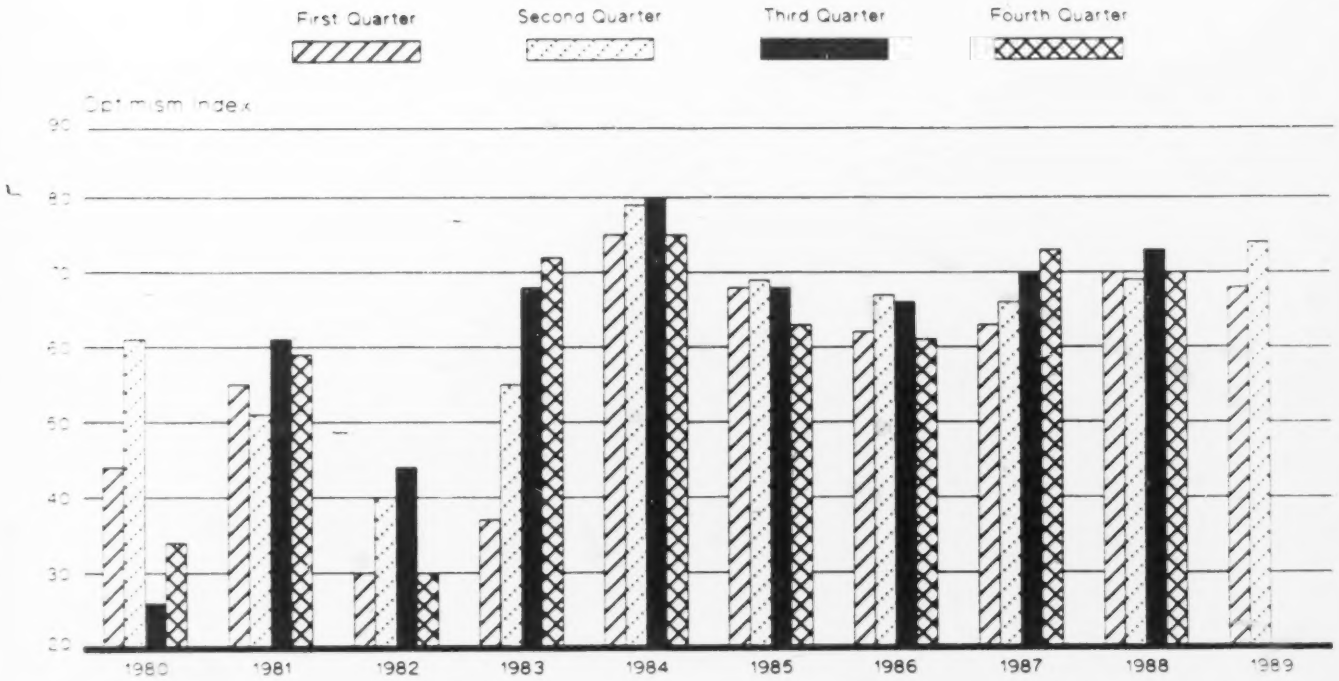
Optimism Index - 1980Q1 to 1989Q2

	SALES	PROFITS	PRICES	INVENTORIES	EMPLOYEES
89Q2	74	69	46	29	23
89Q1	68	60	41	26	24
88Q4	70	67	42	26	22
88Q3	73	65	44	23	25
88Q2	69	64	41	28	23
88Q1	70	63	41	23	26
87Q4	73	64	36	25	23
87Q3	70	66	34	22	24
87Q2	66	62	32	21	18
87Q1	63	56	24	19	19
86Q4	61	57	22	14	17
86Q3	66	62	26	20	18
86Q2	67	62	29	17	21
86Q1	62	55	26	16	18
85Q4	63	54	25	17	17
85Q3	68	62	32	23	18
85Q2	69	62	37	31	24
85Q1	68	61	36	27	19
84Q4	75	68	41	32	25
84Q3	80	75	50	40	27
84Q2	79	73	50	41	27
84Q1	75	67	43	33	24
83Q4	72	62	40	28	20
83Q3	68	59	39	24	18
83Q2	55	46	32	16	12
83Q1	37	29	33	5	1
82Q4	30	20	37	0	-4
82Q3	44	32	28	11	2
82Q2	40	31	55	13	2
82Q1	30	22	61	8	1
81Q4	59	44	70	27	10
81Q3	61	47	79	31	12
81Q2	51	38	78	22	8
81Q1	55	40	78	26	13
80Q4	34	22	74	11	1
80Q3	26	18	69	6	4
80Q2	61	46	82	39	13
80Q1	44	32	77	23	9

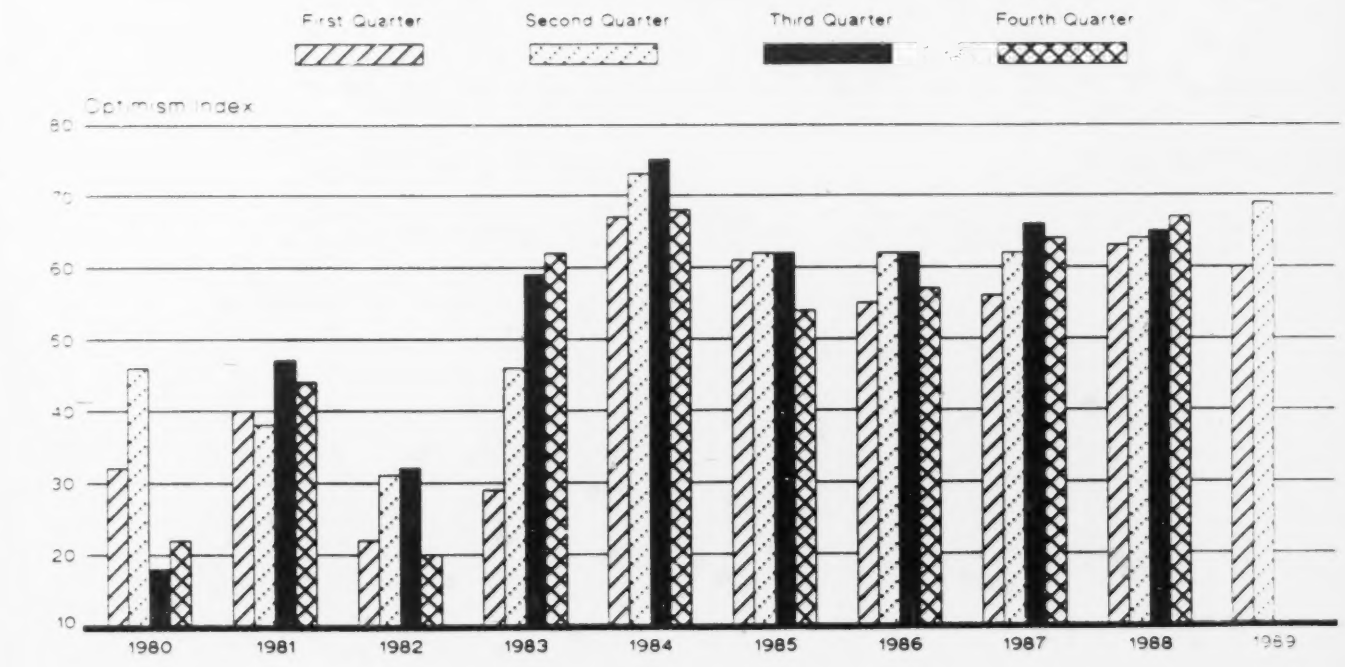
Source: The Dun & Bradstreet Corporation, Economic Analysis Department

Dun & Bradstreet Expectations Survey

Business Expectations – Sales



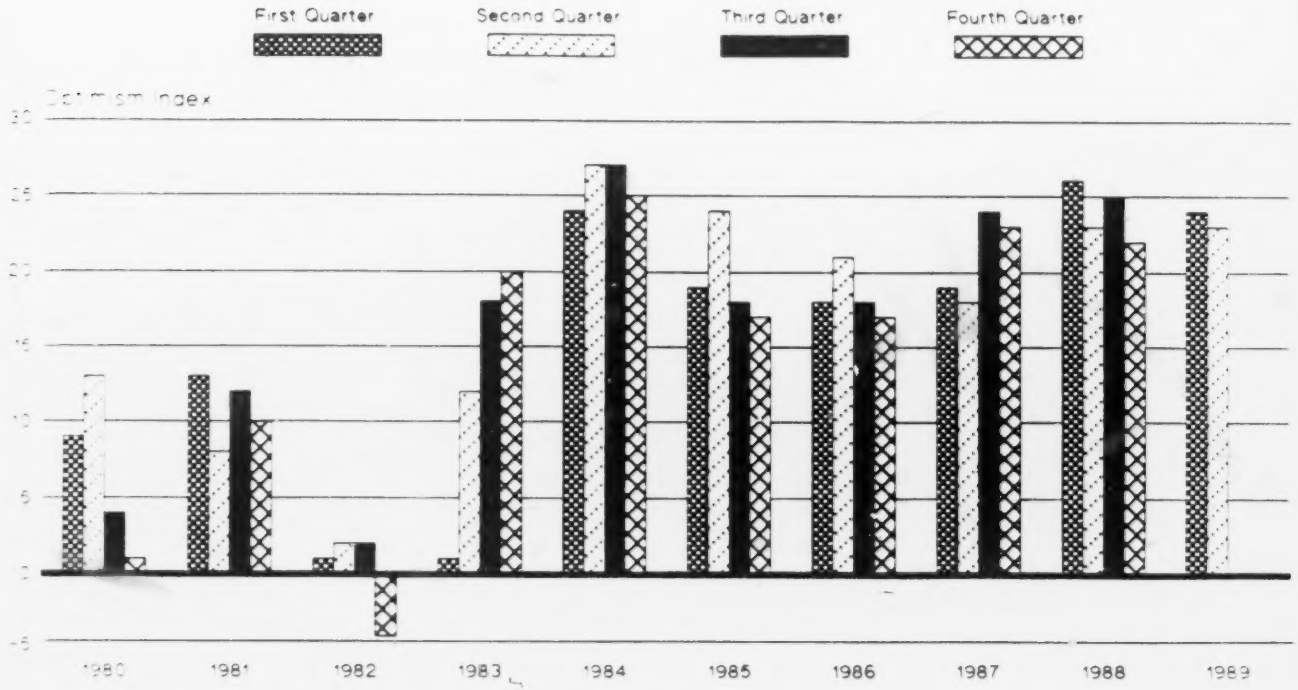
Business Expectations – Profits



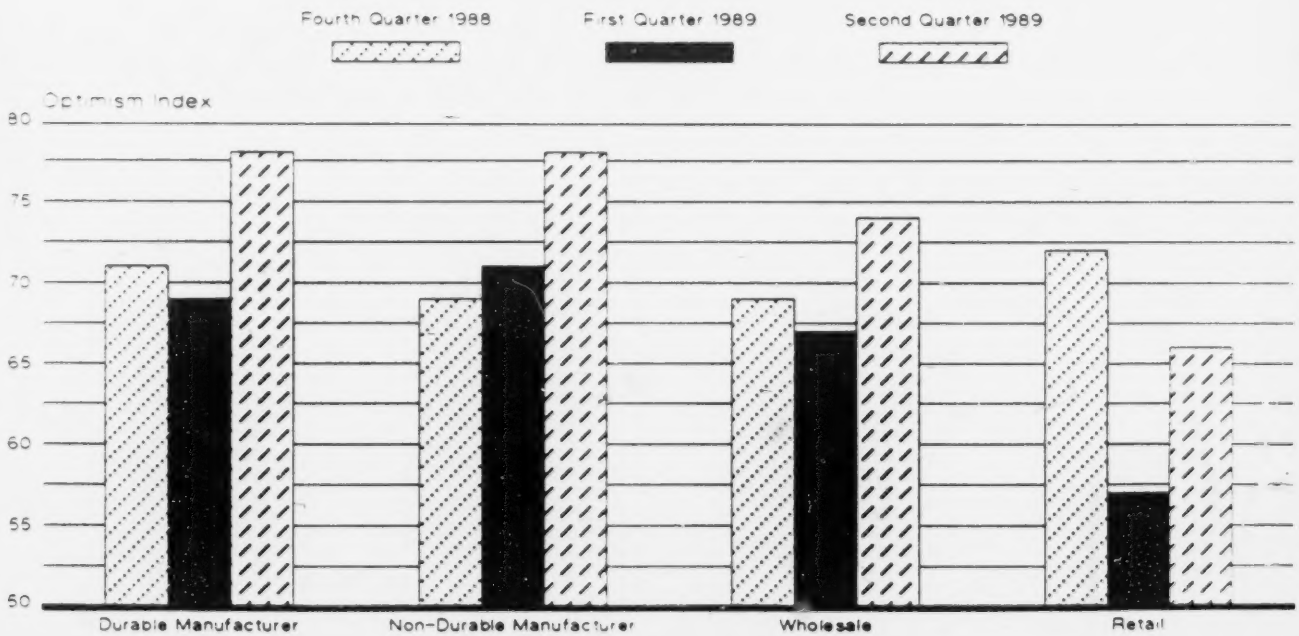
Source: The Dun & Bradstreet Corporation
Economic Analysis Department

Dun & Bradstreet Expectations Survey

Business Expectations – Employment



SALES OPTIMISM INDEX



Source: The Dun & Bradstreet Corporation
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C3150-4

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News

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Business Expectations
Vol. 30, No. 3
Third Quarter 1989

For Immediate Release

DROP IN THIRD-QUARTER BUSINESS EXPECTATIONS MAY HERALD MODERATE DOWNTURN IN ECONOMIC GROWTH

Manufacturing Optimism Down, with Lower Expectations For Third-Quarter Sales, Profits and Prices

NEW YORK, June 29--Expectations for higher third-quarter sales, profits and prices are down, following an upward surge in optimism in the second quarter of 1989, according to the latest national survey of 1,500 business executives by The Dun & Bradstreet Corporation.

"The results of this survey indicate that a moderate slowdown in economic growth is on the horizon," said Joseph W. Duncan, corporate economist and chief statistician for The Dun & Bradstreet Corporation. "Expectations remain at historically high levels, however, lending support to the 'soft-landing' scenario, making a full-blown recession in the second-half of 1989 highly unlikely."

Duncan noted that the recent increase in the foreign

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exchange value of the dollar and increased competition dampened the third-quarter outlook among manufacturers.

In its latest Survey of Business Expectations, conducted between May 15 and May 31, Dun & Bradstreet asked 1,500 executives in manufacturing, retailing and wholesaling if they expected an increase, decrease or no change in third-quarter sales, profits, prices, inventories, employment and new orders. Dun & Bradstreet has been conducting its quarterly Survey of Business Expectations since 1947.

Note to Editors

The D&B Index figures used in the following pages represent the net percentage of survey respondents expecting higher sales, profits, etc. The indices are calculated by subtracting the percentage of respondents predicting decreases from the percentage expecting increases. Unless otherwise noted, increases and decreases in indices represent changes from the previous quarter.

Sales

The Sales Optimism Index for the third quarter decreased to 67, down seven points from the second quarter of 1989, and six points from the third quarter of 1988. Manufacturers posted the sharpest decline in third-quarter sales expectations, down nine points to 68, the lowest level in more than two years. Among manufacturers of durable and non-durable goods, the Sales Optimism Index fell 11 points and seven points, respectively.

"Although optimism among manufacturers has declined compared with the second-quarter, expectations remain at relatively high levels," said Duncan. "The recent declines in interest rates, as well as continued exports to Europe and Japan should continue to boost manufacturers' sales."

While expectations for higher sales among retailers decreased slightly, down two points, expectations among wholesalers fell seven index points to 67.

Profits

All industry sectors surveyed reported declines in third-quarter profit expectations, with the Profits Optimism Index decreasing to 61 from a five-year high of 69 in the second quarter of 1989. Overall, however, profit expectations were one point higher than in the first quarter of 1989.

Expectations for higher profits among manufacturers fell six points to 62, largely driven by an 11 point drop in expectations among manufacturers of non-durable goods. Expectations for higher profits among durable-goods manufacturers fell seven points to 63.

Retailers expectations for higher profits in the third quarter dropped 11 points to 58 from 69 in the second quarter, but they were just one point below the third-quarter level last year. Expectations for increased profits among wholesalers fell seven points to 62 from 69 last quarter.

Prices

Expectations for higher selling prices in the third quarter of 1989 fell seven index points to 39, following a steep increase in expectations in the second quarter.

Duncan noted that inflation indicators peaked earlier this year and business executives are optimistic that the economy will slow enough to curb inflation.

Among all manufacturers, expectations for increased prices plummeted to 37 from 48 in both the second quarter of 1989 and the third quarter of 1988. Expectations fell among manufacturers of both durable and non-durable goods, down 11 points and seven points, respectively, from second-quarter levels. Retailers were the only industry sector to post a gain in selling price expectations, with a one point increase in the index, to 46. Wholesalers' expectations fell seven points to 38.

Inventories

Among all firms surveyed, expectations for increased inventories dropped eight points to 21 from 29 in the second quarter. Manufacturers' expectations for increased inventories fell to 20 from 33 last quarter and 25 a year ago. Among manufacturers of durable and non-durable goods, expectations were down three points and four points, respectivley, from last year's levels.

"That business executives are planning to reduce risk by paring inventory growth provides additional evidence for a 'soft landing' scenario," said Duncan.

Wholesalers' expectations for increased inventory levels decreased to 18 from 23 in both the second quarter of 1989 and the third quarter of 1988. While inventory expectations among retailers fell two points to 29 from 31 in the second quarter, it is still higher than the index of 21 reported in the third quarter of 1988.

Employees

The Employment Optimism Index fell to 22 from 23 last quarter, largely because of a drop of five points among manufacturers. Wholesalers expectations increased two points, while expectations among retailers fell four points.

New Orders

The New Orders Optimism Index among manufacturers of durable goods fell 11 points to 60, while the index for manufacturers of non-durable goods decreased to 64 from 70.

The Dun & Bradstreet Corporation is the world's largest marketer of business information and related services, with worldwide revenue of $4.3 billion in 1988.

(See Attached Tabular Data)

THE DUN & BRADSTREET CORPORATION - Economic Analysis Department

BUSINESS EXPECTATIONS - ALL CONCERNS

Optimism Index - 1980Q1 to 1989Q3

	SALES	PROFITS	PRICES	INVENTORIES	EMPLOYEES
89Q3	67	61	39	21	22
89Q2	74	69	46	29	23
89Q1	68	60	41	26	24
88Q4	70	67	42	26	22
88Q3	73	65	44	23	25
88Q2	69	64	41	28	23
88Q1	70	63	41	23	26
87Q4	73	64	36	25	23
87Q3	70	66	34	22	24
87Q2	66	62	32	21	18
87Q1	63	56	24	19	19
86Q4	61	57	22	14	17
86Q3	66	62	26	20	18
86Q2	67	62	29	17	21
86Q1	62	55	26	16	18
85Q4	63	54	25	17	17
85Q3	68	62	32	23	18
85Q2	69	62	37	31	24
85Q1	68	61	36	27	19
84Q4	75	68	41	32	25
84Q3	80	75	50	40	27
84Q2	79	73	50	41	27
84Q1	75	67	43	33	24
83Q4	72	62	40	28	20
83Q3	68	59	39	24	18
83Q2	55	46	32	16	12
83Q1	37	29	33	5	1
82Q4	30	20	37	0	-4
82Q3	44	32	28	11	2
82Q2	40	31	55	13	2
82Q1	30	22	61	8	1
81Q4	59	44	70	27	10
81Q3	61	47	79	31	12
81Q2	51	38	78	22	8
81Q1	55	40	78	26	13
80Q4	34	22	74	11	1
80Q3	26	18	69	6	4
80Q2	61	46	82	39	13
80Q1	44	32	77	23	9

Source: The Dun & Bradstreet Corporation, Economic Analysis Department

SURVEY OF BUSINESS EXPECTATIONS
Conducted by The Dun & Bradstreet Corporation

WHAT BUSINESS EXECUTIVES EXPECT FOR THE
THIRD QUARTER OF 1989 COMPARED WITH THE THIRD QUARTER OF 1988

(Interview Period: May 15 to 31, 1989)

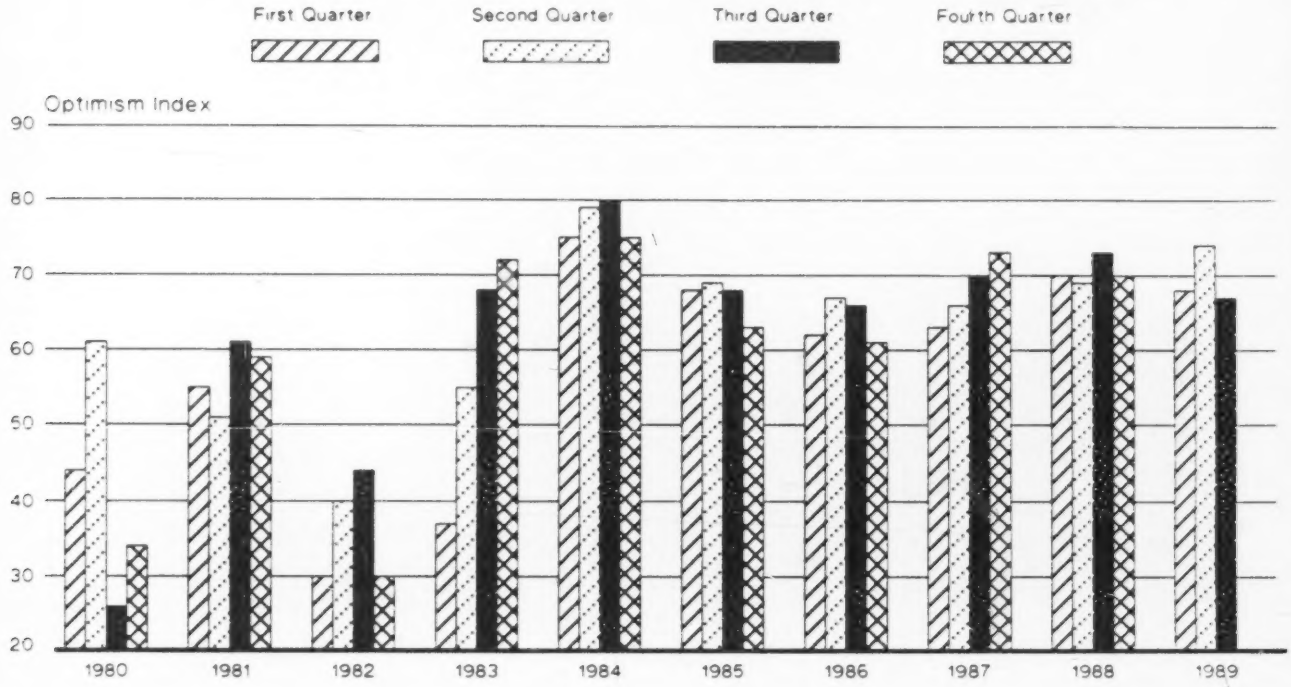
		All Firms	All Manufacturers	Durables	Non-Durables	Wholesalers	Retailers
Net Sales	Number Reporting:	1,454	670	492	178	462	322
	% Expecting -- Increase	73%	74%	73%	76%	73%	70%
	% Expecting -- No Change	21%	20%	21%	19%	21%	24%
	% Expecting -- Decrease	6%	6%	6%	5%	6%	6%
Net Profits	Number Reporting:	1,375	635	461	174	434	306
	% Expecting -- Increase	67%	69%	70%	65%	68%	63%
	% Expecting -- No Change	27%	24%	23%	27%	26%	32%
	% Expecting -- Decrease	6%	7%	7%	8%	6%	5%
Selling Prices	Number Reporting:	1,369	630	459	171	429	310
	% Expecting -- Increase	43%	41%	39%	46%	44%	48%
	% Expecting -- No Change	53%	55%	57%	48%	50%	50%
	% Expecting -- Decrease	4%	4%	4%	6%	6%	2%
Inventories*	Number Reporting:	1,399	643	469	174	438	318
	% Expecting -- Increase	36%	36%	37%	33%	33%	41%
	% Expecting -- No Change	49%	48%	48%	49%	52%	47%
	% Expecting -- Decrease	15%	16%	15%	18%	15%	12%
Employees*	Number Reporting:	1,453	671	491	180	461	321
	% Expecting -- Increase	27%	30%	30%	30%	27%	18%
	% Expecting -- No Change	68%	64%	64%	64%	69%	78%
	% Expecting -- Decrease	5%	6%	6%	6%	4%	4%
New Orders	Number Reporting:		593	435	158		
	% Expecting -- Increase		67%	66%	68%		
	% Expecting -- No Change		28%	28%	28%		
	% Expecting -- Decrease		5%	6%	4%		

* End of Quarter

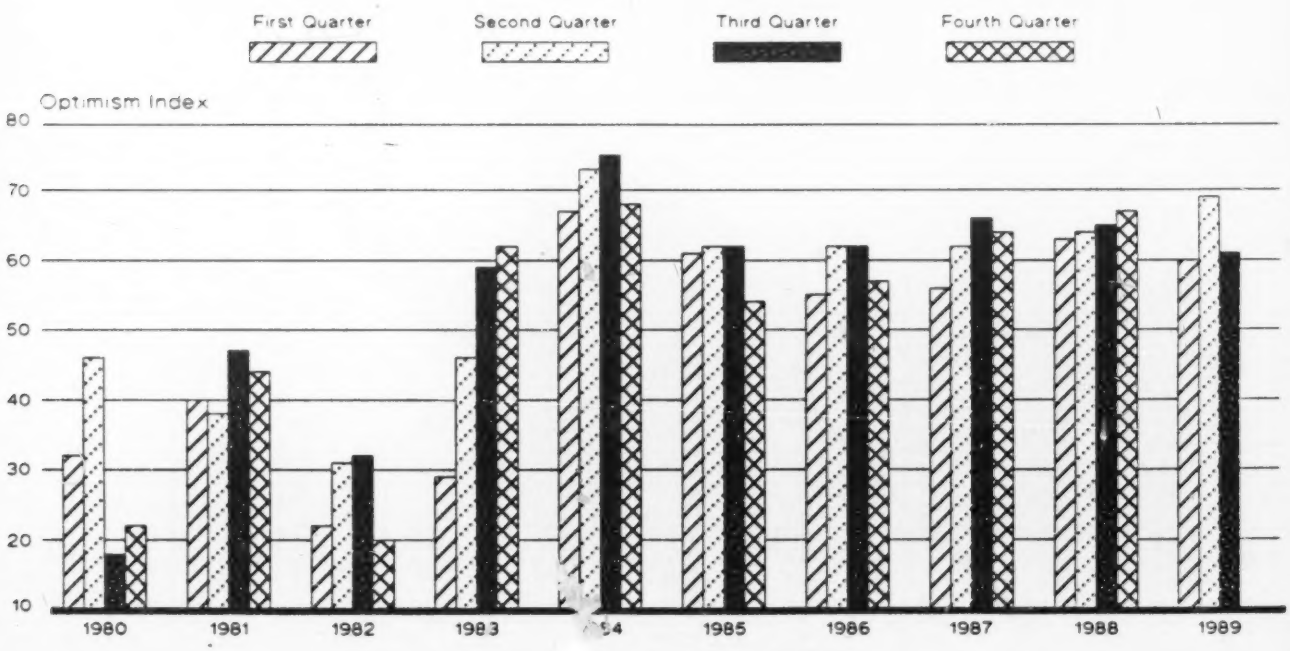
Source: The Dun & Bradstreet Corporation
Economic Analysis Department

Dun & Bradstreet Expectations Survey

Business Expectations – Sales



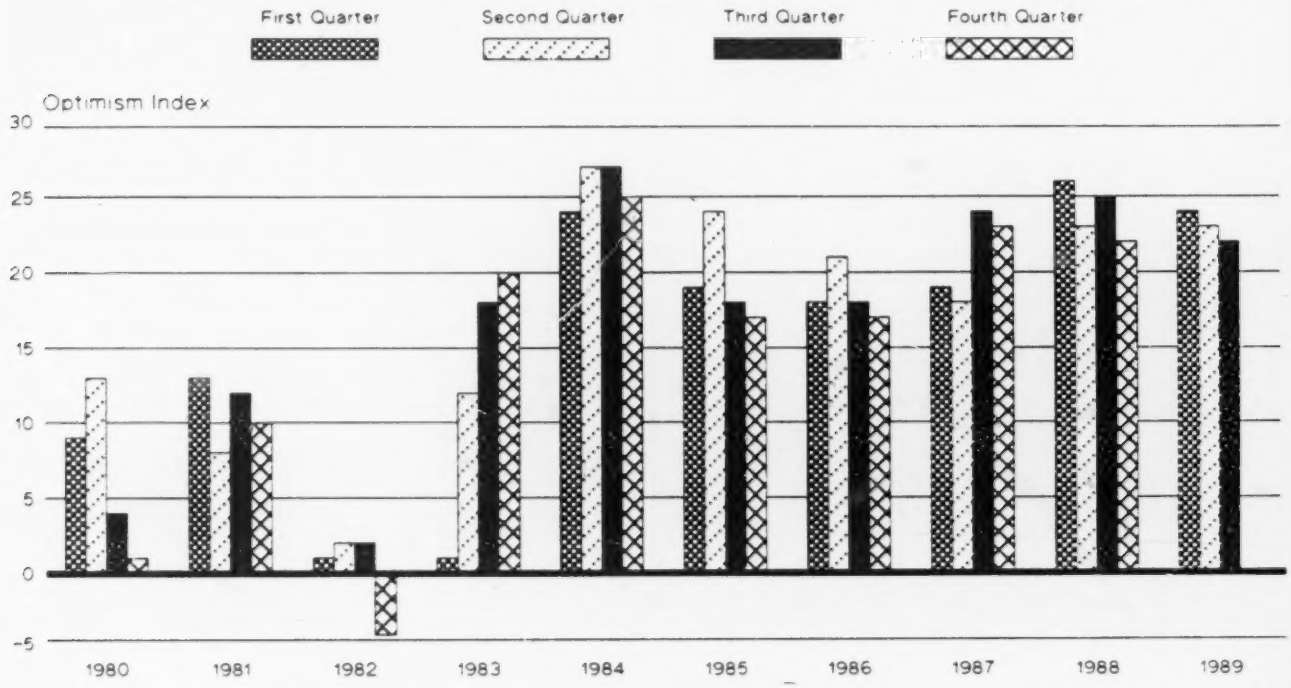
Business Expectations – Profits



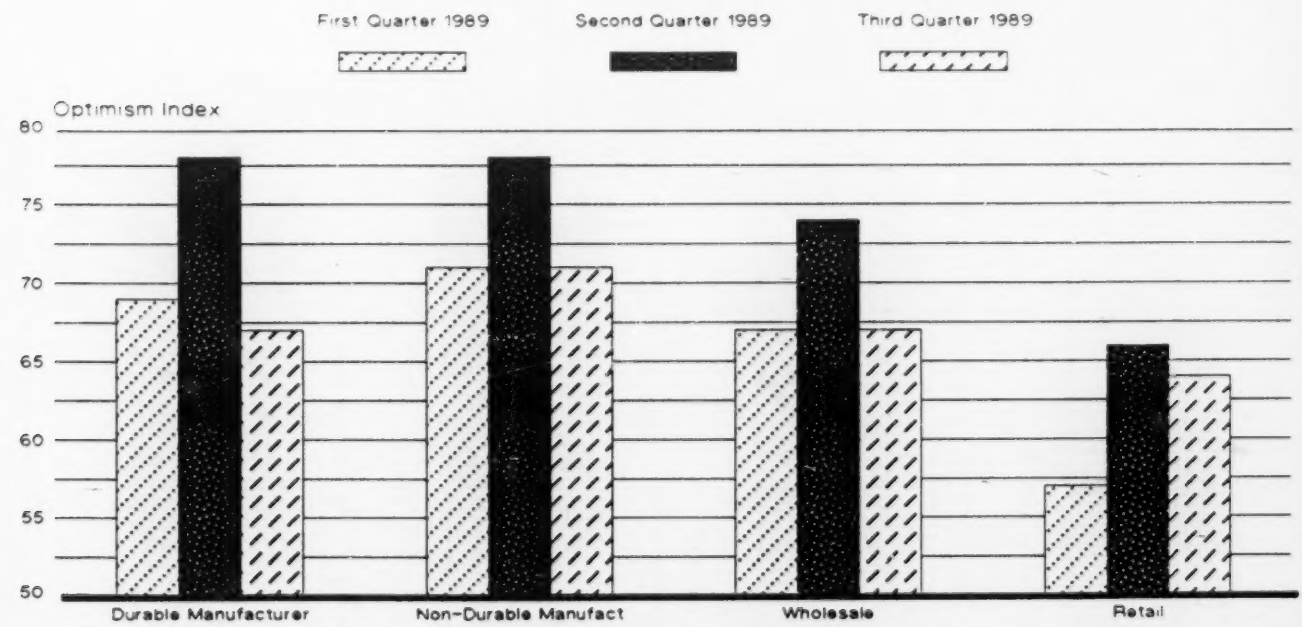
Source: The Dun & Bradstreet Corporation
Economic Analysis Department

Dun & Bradstreet Expectations Survey

Business Expectations – Employment



SALES OPTIMISM INDEX



Source: The Dun & Bradstreet Corporation
Economic Analysis Department

The Dun & Bradstreet Corporation

The Dun & Bradstreet Business Expectations Survey

Prepared by the Economic Analysis Department

Business Expectations
Vol. 30, No. 4
Fourth Quarter 1989

News

For Immediate Release

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BUSINESS EXPECTATIONS CONTINUE TO FALL,

DROPPING TO LOWEST LEVEL IN FOUR YEARS

NEW YORK, Oct. 5--Expectations for higher sales and profits have dropped to the lowest levels in four years, according to the latest quarterly survey of 1,500 business executives nationwide by The Dun & Bradstreet Corporation.

D&B's survey of fourth-quarter expectations indicates that business optimism is continuing to ebb, after a significant decline in expectations in the third quarter.

"After two years of consistently strong expectations, business executives are getting skittish," said Joseph W. Duncan, corporate economist and chief statistician of The Dun & Bradstreet Corporation.

"But there's a silver lining to this otherwise gloomy outlook," noted Duncan. "While expectations for higher sales and profits are down, expectations for higher prices and

-MORE-

inventories also have dropped. Thus, two of the major factors that have fueled recent recessions--inflation and excess inventories--appear to be well under control."

Duncan noted that retailers expectations for gains in sales and profits dropped sharply, reaching the lowest levels since the fourth quarter of 1983.

"Retailers were surprisingly optimistic in the fourth quarter last year, and this year's expectations are more in line with recent retail-sales statistics," noted Duncan.

In its latest Survey of Business Expectations, conducted between August 14 and August 30, Dun & Bradstreet asked 1,500 executives in manufacturing, retailing and wholesaling if they expected an increase, decrease or no change in fourth-quarter sales, profits, prices, inventories, employment and new orders. Dun & Bradstreet has been conducting its quarterly Survey of Business Expectations since 1947.

Note to Editors

The D&B Index figures used in the following pages represent the net percentage of survey respondents expecting higher sales, profits, etc. The indices are calculated by subtracting the percentage of respondents expecting decreases from the percentage expecting increases. Unless otherwise noted, increases and decreases in the indices represent changes from the previous quarter.

Sales

The Sales Optimism Index for the fourth quarter fell to 60, down seven points from this year's third quarter, and 10 points

from the fourth quarter of 1988. Retailers' expectations plummeted to 55, down nine points from this year's third quarter, and 17 points below the fourth quarter last year.

Wholesalers' expectations for higher sales in the fourth quarter fell slightly, down two points to 65, while manufacturers' expectations decreased eight points, to 60 from 68 in the third quarter. Among manufacturers of durable and non-durable goods, the index fell nine points and six points, respectively.

Profits

The fourth-quarter Profits Optimism Index for all firms decreased to 54, from 61 in this year's third quarter and 67 in the fourth quarter of 1988. Retailers' expectations for higher profits fell 10 points to 48. Wholesalers expectations for increased profits fell to 56 from 62.

Expectations for higher profits among manufacturers fell five points to 57, largely driven by a seven point drop among durable-goods manufacturers. However, expectations among manufacturers of non-durable goods increased three points to 60.

Prices

Among all firms surveyed, expectations for higher selling prices in the fourth quarter decreased to 34, down five index points from this year's third quarter and eight points from the fourth quarter last year.

Expectations for higher fourth-quarter prices among retailers fell eight points to 38. Among all manufacturers, expectations for higher selling prices decreased to 34 from 37, with expectations among non-durable manufacturers down six points. Durable-goods manufacturers' price expectations fell slightly, to 33 from 35. Wholesalers' expectations fell six points, to 32 from 38 in the third quarter of 1989.

Inventories

Among all firms surveyed, fourth-quarter expectations for increased inventories fell three points to 19 from 21 in the third quarter. Retailers expected the sharpest decrease in fourth-quarter inventory levels, down 10 points to 19 from 29 in the third quarter, and 11 points below the fourth quarter 1988 level.

While wholesalers' expectations for increased inventories increased to 21 from 18 in the third quarter, the index was still seven points below the fourth quarter 1988 level of 28. Manufacturers' inventory expectations fell to 19 from 20, with durable manufacturers expecting a three point decrease from this year's third-quarter level, while non-durable manufacturers expect a four point increase.

Employees

The fourth-quarter Employment Optimism Index fell to 17 from 22, largely because of a five-point drop among retailers and a seven-point decrease among durable-goods manufacturers.

"With lower sales and profit expectations, retailers are not expecting to boost employment this holiday season," noted Duncan.

Employment expectations among wholesalers fell slightly to 22 from 23 in the third quarter and expectations among non-durable goods manufacturers also fell one point, to 23.

New Orders

The New Orders Index among manufacturers of durable goods fell eight points to 52, while the index for manufacturers of non-durable goods decreased slightly to 63 from 64.

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(See Attached Tabular Data)

THE DUN & BRADSTREET CORPORATION - Economic Analysis Department

BUSINESS EXPECTATIONS - ALL CONCERNS

Optimism Index - 1980Q1 to 1989Q4

	SALES	PROFITS	PRICES	INVENTORIES	EMPLOYEES
89Q4	60	54	34	19	17
89Q3	67	61	39	21	22
89Q2	74	69	46	29	23
89Q1	68	60	41	26	24
88Q4	70	67	42	26	22
88Q3	73	65	44	23	25
88Q2	69	64	41	28	23
88Q1	70	63	41	23	26
87Q4	73	64	36	25	23
87Q3	70	66	34	22	24
87Q2	66	62	32	21	18
87Q1	63	56	24	19	19
86Q4	61	57	22	14	17
86Q3	66	62	26	20	18
86Q2	67	62	29	17	21
86Q1	62	55	26	16	18
85Q4	63	54	25	17	17
85Q3	68	62	32	23	18
85Q2	69	62	37	31	24
85Q1	68	61	36	27	19
84Q4	75	68	41	32	25
84Q3	80	75	50	40	27
84Q2	79	73	50	41	27
84Q1	75	67	43	33	24
83Q4	72	62	40	28	20
83Q3	68	59	39	24	18
83Q2	55	46	32	16	12
83Q1	37	29	33	5	1
82Q4	30	20	37	0	-4
82Q3	44	32	28	11	2
82Q2	40	31	55	13	2
82Q1	30	22	61	8	1
81Q4	59	44	70	27	10
81Q3	61	47	79	31	12
81Q2	51	38	78	22	8
81Q1	55	40	78	26	13
80Q4	34	22	74	11	1
80Q3	26	18	69	6	4
80Q2	61	46	82	39	13
80Q1	44	32	77	23	9

Source: The Dun & Bradstreet Corporation, Economic Analysis Department

SURVEY OF BUSINESS EXPECTATIONS

Conducted by The Dun & Bradstreet Corporation

WHAT BUSINESS EXECUTIVES EXPECT FOR THE
FOURTH QUARTER OF 1989 COMPARED WITH THE FOURTH QUARTER OF 1988

(Interview Period: August 14 to 30, 1989)

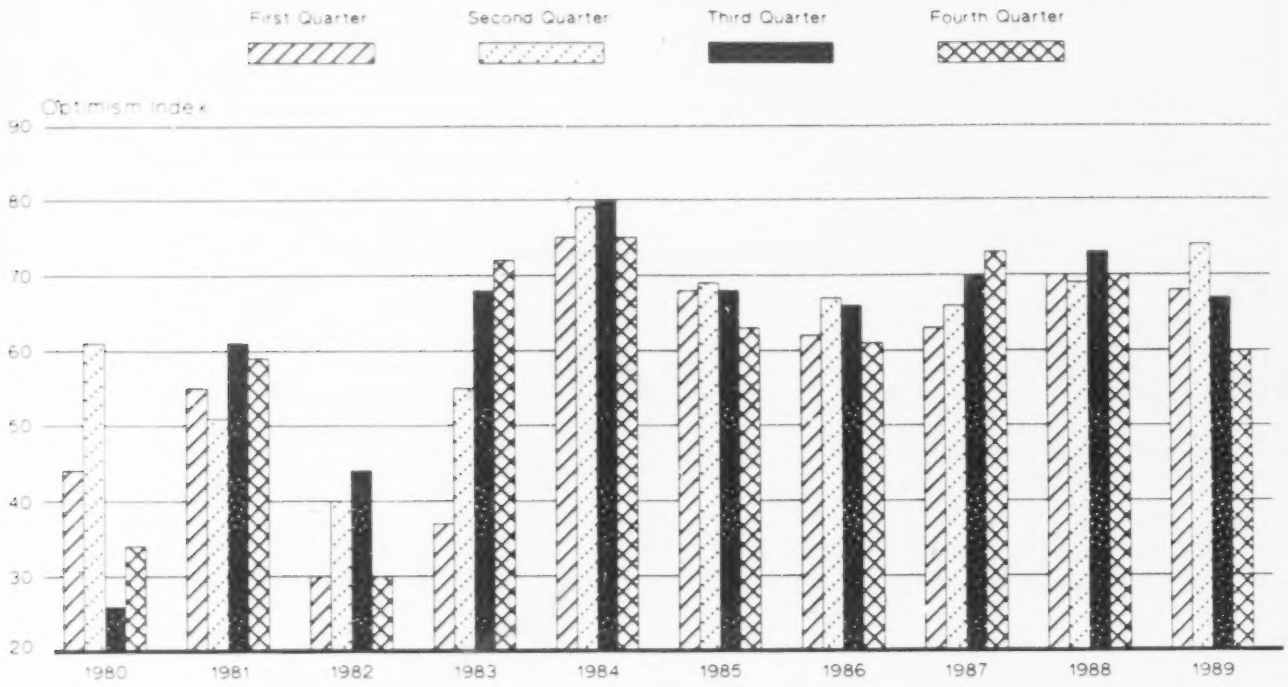
		All Firms	All Manufacturers	Durables	Non-Durables	Wholesalers	Retailers
Net Sales	Number Reporting:	1,470	668	502	166	491	311
	% Expecting -- Increase	69%	69%	68%	72%	72%	64%
	% Expecting -- No Change	22%	22%	22%	21%	21%	27%
	% Expecting -- Decrease	9%	9%	10%	7%	7%	9%
Net Profits	Number Reporting:	1,378	626	472	154	464	288
	% Expecting -- Increase	62%	64%	63%	66%	64%	57%
	% Expecting -- No Change	30%	29%	30%	28%	28%	34%
	% Expecting -- Decrease	8%	7%	7%	6%	8%	9%
Selling Prices	Number Reporting:	1,382	625	469	156	468	289
	% Expecting -- Increase	39%	39%	38%	40%	38%	41%
	% Expecting -- No Change	56%	56%	57%	54%	56%	56%
	% Expecting -- Decrease	5%	5%	5%	6%	6%	3%
Inventories*	Number Reporting:	1,416	639	482	157	471	306
	% Expecting -- Increase	34%	34%	34%	34%	35%	33%
	% Expecting -- No Change	51%	51%	51%	51%	51%	53%
	% Expecting -- Decrease	15%	15%	15%	15%	14%	14%
Employees*	Number Reporting:	1,450	660	499	161	484	306
	% Expecting -- Increase	23%	26%	25%	30%	25%	15%
	% Expecting -- No Change	71%	66%	67%	63%	72%	79%
	% Expecting -- Decrease	6%	8%	8%	7%	3%	6%
New Orders	Number Reporting:		579	444	135		
	% Expecting -- Increase		64%	62%	67%		
	% Expecting -- No Change		28%	28%	29%		
	% Expecting -- Decrease		8%	10%	4%		

* End of Quarter

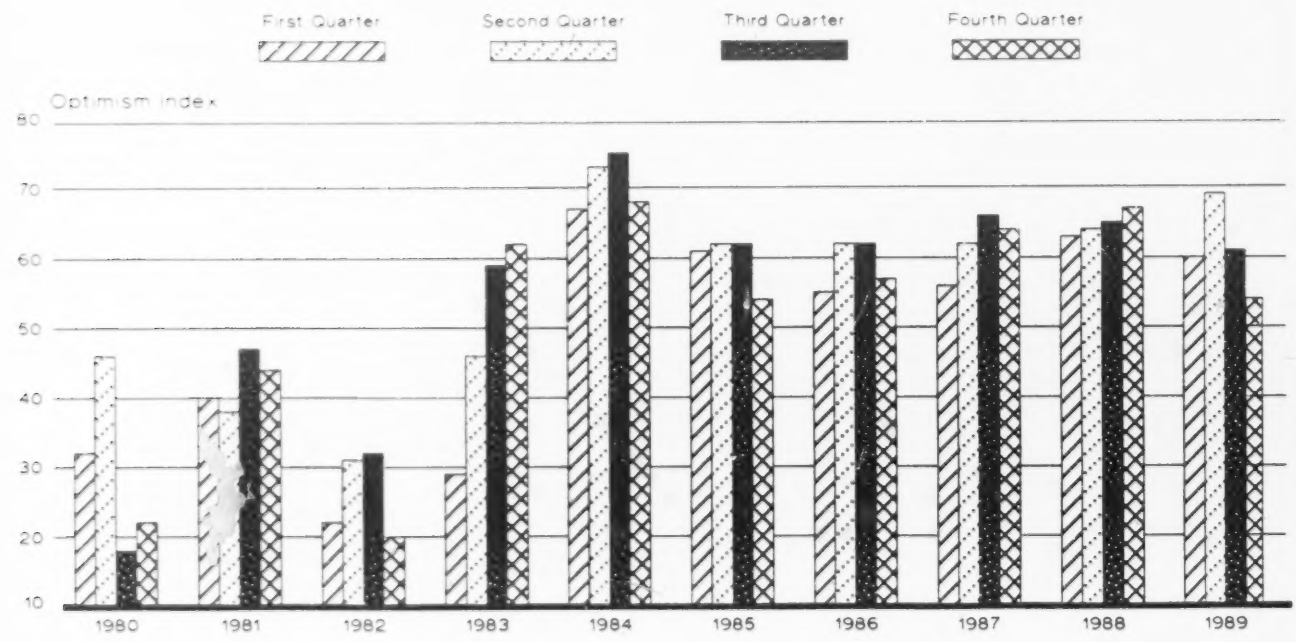
Source: The Dun & Bradstreet Corporation
Economic Analysis Department

Dun & Bradstreet Expectations Survey

Business Expectations – Sales



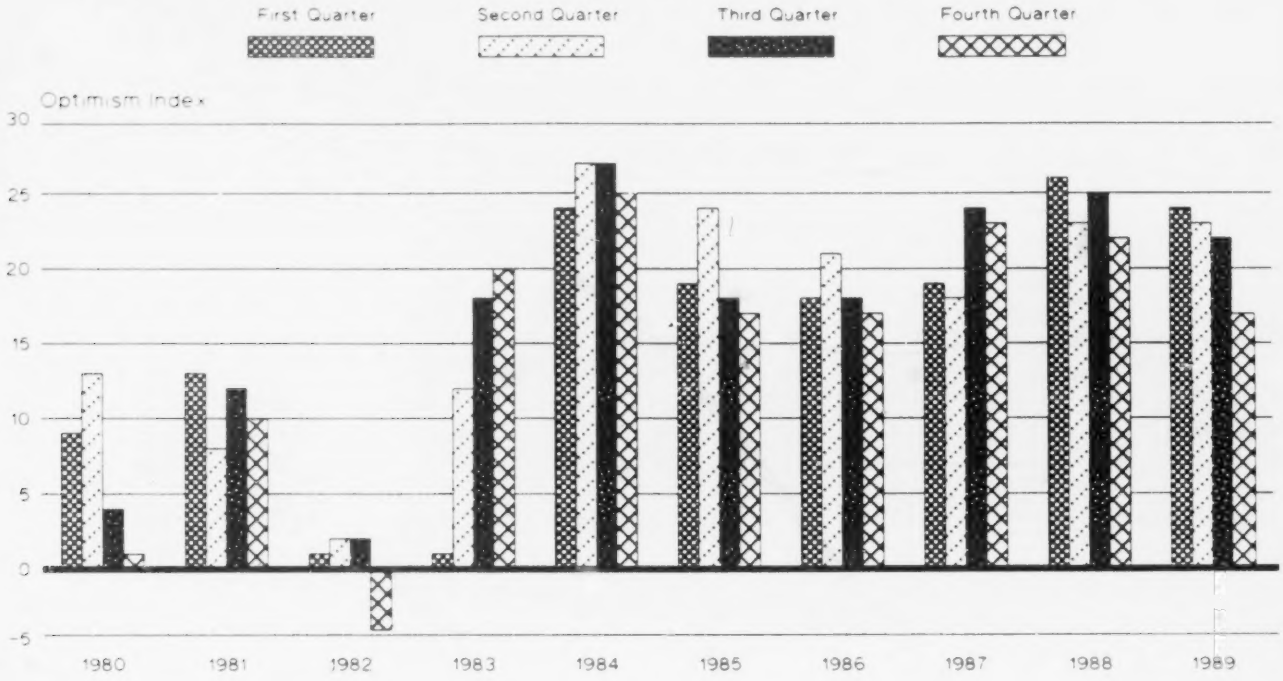
Business Expectations – Profits



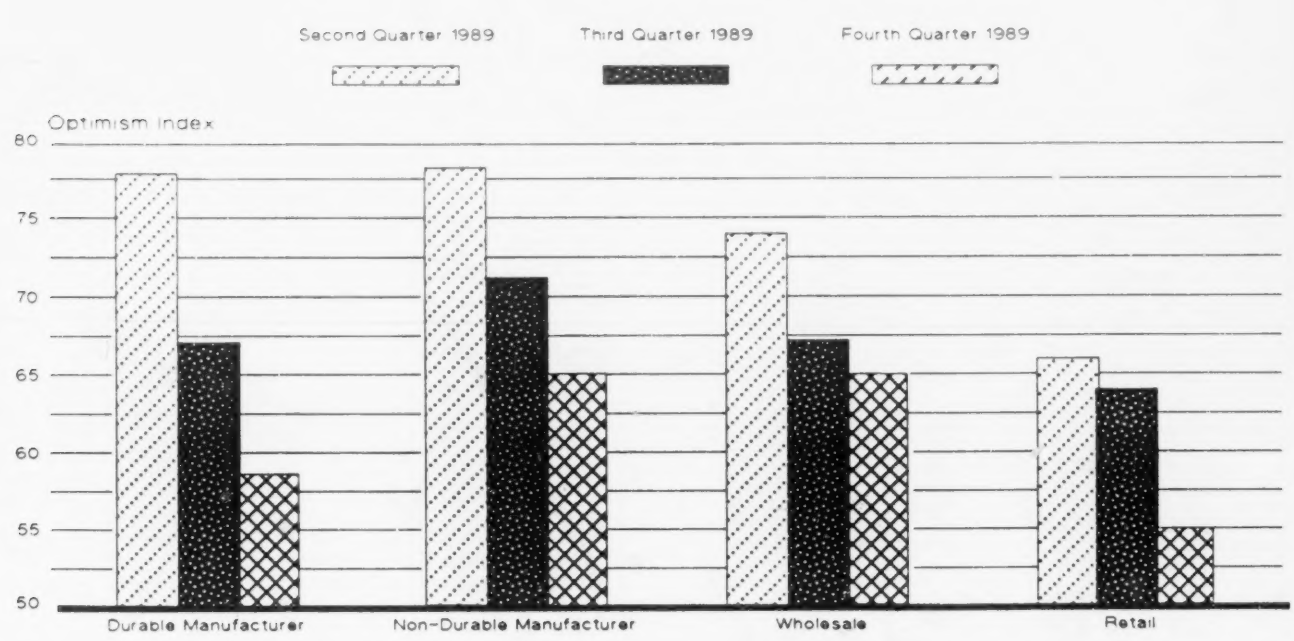
Source: The Dun & Bradstreet Corporation
Economic Analysis Department

Dun & Bradstreet Expectations Survey

Business Expectations – Employment



SALES OPTIMISM INDEX



Source: The Dun & Bradstreet Corporation
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